

Office of City Auditor – City of Seattle

Monthly Report – July 2004



The City Auditor is Seattle's independent internal auditor, appointed by the City Council's Finance Committee Chair and confirmed by the full Council. The Office of City Auditor conducts financial, performance, management, and compliance audits of City departments, programs, grantees, and contracts. The office can be reached at (206) 233-3801, or on the Internet at <http://www.seattle.gov/audit>.

Recently Completed Work: Information Technology Quality Assurance

In July, the Office of City Auditor completed its work regarding quality assurance over the City's Information Technology (IT) projects. The City's tight budget demands prudent management and high accountability over the City's growing investments in information technology. Annual City spending for IT totaled approximately \$106 million in 2003. These expenditures included new investments in business, utility, and public safety systems, telecommunications and networks. The City's technology investments directly affect its ability to deliver basic services, capture operational efficiencies, and conduct sound decision-making processes.

Many organizations, including 13 local and state governments that we researched, enforce project management disciplines to help keep IT projects on track. This includes Quality Assurance (QA), an ongoing party review of project management practices during the implementation of critical IT systems.

In 2003, the City Council asked the our office to examine City policies, standards and authority for review of IT projects, and "to identify options for expanded quality assurance programs for City information technology projects.

Starting in the spring of 2003, the Office of City Auditor worked with the City's Chief Technology Officer (CTO) to identify best practices in QA used in other jurisdictions. We also conducted a review of QA Practices at the City and shared with the CTO our findings in the four following areas:

- ❑ Departmental compliance with the QA requirement
- ❑ Citywide inventory of IT projects
- ❑ Management attention to QA recommendations
- ❑ Evaluation of system benefits

In response, the CTO developed a strategic framework for improving IT project oversight that includes the development of:

- ❑ A comprehensive inventory of significant IT projects
- ❑ A redesigned IT investment process
- ❑ A restructured approach for determining the appropriate level of project oversight
- ❑ Active monitoring of projects' progress and risks.
- ❑ Consultative services for IT project managers and project sponsors.

Status of Seattle Office of City Auditor Rolling Work Program¹

(Highlighted projects denote change in status from the previous month)

Projects in the Preliminary Stage (see definitions below)

Store

Homeland Security

Pro-Parks Levy

Projects in the Job Design Phase

Seattle City Light's Newhalem Library

Seattle City Light's Seattle Municipal Tower Employee

Domestic Violence

Information Technology Inefficiencies

Impact of Climate Change on City Operations and Facilities

Seattle City Employees Retirement System Follow-Up

City Procurement Cards

Projects in the Data Gathering and Analysis Phase

Business Taxes

Construction Contract Review

Construction Contract Closeout

Projects in the Report Writing Phase

Procurement at Seattle Public Utilities

Seattle Channel

Seattle City Light Customer Service Center Cash Audit

Project Share

Low Income Rate Assistance Follow Up

To Do Projects

Boards and Commissions

Boundary Dam Internal Controls

Citizen Complaints Audit Follow-Up

City's Weatherization Programs

Construction Scheduling

Fire Levy

Hiring Freeze

Madison Pool Facility Cash Fund Follow-up

Municipal Court Collection Services Follow-Up

Museum Development Authority

Neighborhoods Service Centers Cash Handling Follow-Up

Quality Assurance Review of Office of City Auditor

Revenue Trends

Seattle City Light Follow-Up

Seattle Department of Transportation Permit Center Follow-Up

Small Works Roster—Construction

Small Works Roster—Consultants

Street Use Permits

Street Vacations

Treasury and Business Improvement Area Follow-Up

Warehouses—Citywide

Ongoing Projects

Cable Customer Bill of Rights

Citywide Cash Handling

Preliminary: Preliminary review under way to determine whether topic is valuable for an audit.

Job Design: Audit scope is determined and a data-gathering plan is developed. A decision is also made on whether to continue the audit at the end of this phase.

Data Gathering and Analysis: Comprehensive fieldwork and in-depth analysis is completed during this phase.

Report Writing: Development of the final report.

Follow-Up: Assessment of City departments' implementation of earlier audit recommendations is often completed one to two years after publication.

To Do: Issues the office will consider examining as staff resources become available.

Ongoing: Official briefings, management reporting, and other small consulting engagements performed on a continuous or regular basis.

¹The Office of City Auditor maintains a "rolling" work program. Throughout the year, we receive new audit suggestions and reprioritize our work program to ensure that we address the most important issues first. The office is currently staffed to complete 12 to 14 projects annually.